

PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

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Tuesday, December 14, 2010

10:32 a.m.

Mr. Hoyer. Is this a going-away party? I am staying here. We are just moving down the hall, you understand.

I am going to open with the schedule.

Q That does not include the weekend, correct?

Mr. Hoyer. I don't know that that is correct. That was my reaction as well. Today we're going to do suspensions; last votes around 6:00. Wednesday, Thursday, Friday, and such other days as may be necessary, we expect to consider several bills, none of which will come as a big surprise to you; one of which, obviously, is further action on the tax bill, and the bill that tries to spur our economy, which are one and the same. And the second, of course, is the continuing funding of government under whatever procedure we find on that.

Both, as you know, are pending in the United States Senate. The Senate had a vote yesterday which moves the tax bill forward. My expectation is that that bill will be voted on in the Senate by late afternoon. That's my expectation. Obviously, that may or may not happen.

Q Late afternoon today?

Mr. Hoyer. Yes, today. Today. Tuesday. The 12th, right?

Q 14th.

Mr. Hoyer. 14th. I am behind schedule.

So those two pieces of legislation are essential.

In addition to that, in the Senate, obviously, in addition to those two pieces of legislation, the DREAM Act is pending. 9/11 is an issue that they may want to deal with. And obviously, the START

treaty is also something they want to deal with.

With respect to the tax bill, as I said in my speech to the press club yesterday, we believe that there are provisions within the bill which are very, very helpful to growing the economy, to stepping in to assist those who have lost their unemployment insurance. There are five people looking for every job available in the country, and we're still above 9.5 percent unemployment. We think it is critically important to do that. We also think that making sure that middle-class taxes don't go up is absolutely essential if we are going to continue to expand and grow the economy and create jobs.

As you know, there is strong feeling in the House that the upper income, the wealthier in America, tax cuts are not warranted in terms of dealing with the deficit. As you know, my view is that the public said two things in the election -- said a lot of other things as well -- but, first of all, that we haven't grown enough jobs quickly enough; and secondly, they were very concerned about the debt and the deficit. I share both those concerns. The President shares both those concerns. Every Democrat shares both those concerns. And, very frankly, I think every Republican shares those views as well. As a result, we are trying to work on both of those. We think that the upper-income tax benefits and the estate tax do not further either one of those efforts, and, as a result, you have seen opposition to that.

Having said that, the vote in the Senate yesterday 83 to 15, 98 Senators voting -- we'll see what the final vote is; I don't know that there will be all 83. Just because they voted for procedure, I don't

know that that dictates they are going to vote for the policy -- we'll see -- on that. But obviously, there is strong support for moving ahead. The reason there is strong support for moving ahead is because there is a very keen sense that allowing middle-income taxes to go up on January 1 will not be good for the economy, and that other items in the bill which are designed to spur the economy, unemployment insurance being one of the principal items, as well as the 2 percent reduction in Social Security tax, will all combine to help grow the economy. Obviously, that urgency is reflected in that 83-to-15 vote. We will have further discussions today in the caucus.

Now, let me say something -- two other things, and then I will yield to you. I was here in 1994 when we had the transition. It was an uncomfortable transition. Nobody likes to lose. I am sure 2006 was -- I know was an uncomfortable transition.

In 2006 and this year, however, the atmosphere has been markedly better. Not the confrontation and lack of consideration that I think existed in 1994. I hope that happened in 2006. You would have to ask the other side on that. But I want to congratulate Mr. Boehner and the Republican leadership for -- obviously, any time you lose the majority, it is difficult. You have got to move offices, you have to do all sorts of things. You lose people and that. But I want to publicly express my appreciation to Mr. Boehner, to his chief of staff Barry Jackson for their work with the Speaker and myself and others.

We still have some issues outstanding, obviously, that we're dealing on, and ratios of committees. We believe that we have a higher

ratio than they did, so we may be entitled to some additional seats. But that is always a discussion between majority and minority.

But I do want to say that I believe that Mr. Boehner, Mr. Jackson, and the Republican leadership, I have had some very positive talks with Mr. McCarthy. You will be talking to him, as I understand it, in this office next year. The attitude, I think, is an attitude which will provide, I think, for a positive undertaking of our respective responsibilities next year.

Lastly, let me say that at 12 o'clock today, Mr. Murphy, Patrick Murphy of Pennsylvania, will be introducing a "don't ask, don't tell" legislation as a freestanding bill that will reflect the Lieberman-Collins bill verbatim. I will cosponsor that piece of legislation with him.

I have talked today to Secretary Gates. Secretary Gates has reiterated statements that he has made in the past, and so many other military leaders have made in the past, with reference to the importance of passing legislation. Since we voted on this legislation some months ago, the report that was suggested by that legislation has been given. Secretary Gates and the Chairman of the Joint Chiefs of Staff Mike Mullen have both reflected that that report indicates a transition can be made, and that they believe it's appropriate that it be made from the present policy to a new policy of nondiscrimination, and that morale and national security will not be adversely affected by that transition. Secretary Gates, however, has emphasized that he wants us to pass legislation so that this can be an orderly transition, a

planned and thoughtful transition. And I agree with his comment and his desire.

As I say, I have talked to him today. I asked him what he thought we ought to be doing, and he is supportive of this effort. I am hopeful that it will pass handily through the House, and then I am hopeful that the Senate will take it up. We don't yet have it scheduled, but we will be introducing it today at noontime. Mr. Murphy will be the chief sponsor.

Okay. Your turn.

Q We probably have the same question. Probably a lot of people have the same question. What is the temperature of the House Democrats relative to moving ahead? I mean, is there going to be a really knock-down, drag-out fight to change the bill and with no holds barred, or do they really agree, as Chris Van Hollen said on Sunday, that in the end the bill will move on?

Mr. Hoyer. I think there are strong feelings in the House, as you know. You want to say what the temperature is, it is pretty cold.

Q Pretty cold.

Mr. Hoyer. But there are significant concerns among House Members. You have seen them expressed individually, collectively. We have had caucuses. They are animated caucuses.

We met with the Vice President. I reiterate the Vice President was received very warmly and positively. His message was somewhat less warmly and positively received. That's normal.

But I think there are strong feelings. I think there are mixed

feelings. I think there are obviously, as I said at the outset, very positive aspects of this proposal that's pending in the Senate. We don't know what the final proposal will be. We will probably know by this afternoon. We will have further discussions on it. As Mr. Van Hollen said, and as I have said, the Speaker has said, first of all, the bill has been changed. There are some positive changes in there. We don't know all the changes. There is a green energy provision. That 1603 change was, I think, going to be perceived very positively.

There continues to be a great deal of concern, as you know, about the upper income -- the treatment of all income up to \$250,000 being exempted from further increases -- of any increases in taxation. There is a consensus on that. Now, there are a few people who think that nothing ought to be changed. I mean, we just ought to go to the tax rate that existed in 2000. But the overwhelming majority, Republicans and Democrats, believe there ought not to be a middle-income tax increase. We passed that. We made that policy.

The upper income, obviously, there is concern about that. And there continues to be great concern about the treatment of estates. As you know, we also, almost exactly a year ago, on December 3 last year, passed an estate tax at 3.5- and a rate of 45 percent. That replaces the rate of 1 million, 55 percent that would go into effect January 1 if we took no action.

The President and Republicans reached an agreement, which Republicans demanded, that the estate tax go to Lincoln-Kyl, which is

5 million per individual, 10 million a couple, and a 35 percent rate. There is concern about that. And there is going to be continued discussion, and we will have to see, first of all, what the final bill is that comes to us and then, secondly, what action we will suggest after that.

I think, as I said earlier, the vote in the Senate indicates an urgency that is felt by a broad spectrum that the middle-income taxes not be increased come January 1. In order to effect that, you have got to pass a bill.

Q Mr. Hoyer, just to follow on that, what do you perceive as the overwhelming nature of the Senate vote? How much pressure does that actually put on the House Democratic Caucus?

Mr. Hoyer. I will reiterate, I think what that vote reflects is the urgency that Members from all spectrums feel about the middle-income tax cut and the unemployment insurance. I think that is driving. And then on the Republican side, the urgency of capping any tax increases. The estate tax, I think, is an add-on, but it's an important add-on for the Republicans, obviously. I think that's what that vote reflects.

You know, you have reached a compromise that, frankly, according to two polls that you probably have read about, indicate that 7 out of 10 Americans support this program. Now, within that, if you plumb it very deeply, it's relatively shallow. Other aspects, some aspects, are more important than others, and some are not so popular. But if you put the consensus together, they are saying 70 percent for it.



Fifty-four percent, frankly, want to end the Bush tax cuts. You remember the poll I had before? I think that's accurate. But I think that does not take into -- that takes into consideration the deficit. What it doesn't take into consideration is the need to keep this economy growing. So I think both of those are moving this legislation, and I think, frankly, that ultimately we will pass legislation.

Q Mr. Hoyer, realistically for this bill to become law, the unemployment benefits to be extended, the middle-class tax cuts to be preserved, the House can't really alter the Senate bill too much, correct?

Mr. Hoyer. I think we'll have to discuss that and take your premise into consideration. Luke, you know, we got a caucus coming up. We've got Members who are concerned. We haven't been to the Rules Committee. We haven't had that full discussion. We need to have that because there is concern.

But I keep emphasizing I think what that vote indicated was the urgency of moving. I mean, this is, after all, a procedural vote to move the bill forward in the Senate. Rarely do you see that big a number. You had Coburn -- did Coburn vote for it?

Q He voted no.

Mr. Hoyer. Who's the most conservative Republican? You have Barbara Boxer and who?

Q DeMint.

Mr. Hoyer. DeMint voted for it. No. Who voted for it? I haven't seen the list.

Q Corker voted for it.

Mr. Hoyer. You had a lot of Republicans vote for it. You had Barbara Boxer vote for it and a lot of Democrats vote for it. Most overwhelming. Why? Because they believe there needs to be some certainty and resolution of this matter going into next year for the economy's sake. And I think that same sense, which is what Van Hollen was saying on television on Sunday, exists here.

Q What about the estate tax deal then?

Mr. Hoyer. We're going to discuss what we're going to do.

Q Do you personally want to see the House send an altered bill back to the Senate? What are you advocating for?

Mr. Hoyer. We're going to have discussions. I'm going to advocate what I think gives the House the ability to reflect its view. And I think the House feels that they want to take a position on at least one of the two items that they believe are not productive in growing the economy and harm the deficit.

Q Mr. Hoyer, on that issue, do you think that you will likely have a separate vote on the estate tax? And given the big bipartisan vote that the Senate had, how likely is that change to become law? Couldn't it just be sent back here the same without that? Couldn't the Senate just send it back even if you send it to them with that attachment?

Mr. Hoyer. Sure. They could. Sure.

Q But you think it's important to have a vote to express the House's will on that?

Mr. Hoyer. I think there is, as I said -- you know, we are being repetitive now because you want me to say something that you are probably not going to get out of me, but you keep trying. It's like the cross examination of a witness. You know, you can ask it five different ways. He says, "Yes," and you want him to say, "No, that is really not the case," so you ask it some other way.

I think the House -- I think there are many Members of the House who want to reflect their view on a number of the issues in the bill. We are going to discuss that tonight. The Rules Committee will be meeting today or tomorrow, assuming the Senate bill comes over here. We are scheduled, as all of you know, to adjourn on the 17th. The CR expires on the 18th. I am hopeful that we make that. "Hopeful" is not a synonym for "optimism."

Q On the estate tax, how confident are you that if there was an estate tax vote on the 2009 rates, that it would pass?

Mr. Hoyer. I haven't counted the votes on that.

Q You think it would?

Mr. Hoyer. We passed 3.5.

Q So you haven't counted the votes, but are you worried that it wouldn't pass? Would it be a good thing if it didn't pass because it wouldn't derail the bill and give people an opportunity to express their views?

Mr. Hoyer. We'll see what we're going to do.

Q Last week the Congressional Black Caucus came out strongly against this tax cut plan. Is there any sense now that they are warming

up to it, or are there certain provisions that may bring them over?

Mr. Hoyer. Warming up to it, I think that when you look at this plan, there are some very good things in it from the perspective of growing the economy, reaching out to people who are unemployed and giving them some additional help. We have never failed, when the unemployment rate has been above 7.2 percent, not to extend unemployment benefits.

So there is a lot in there: the refundable earned income tax credit, the child credit, the education credit. There are a lot of things in there that are going to help middle-income families in a tough economy. So people have to weigh that.

And the legislative process is a process of give and take, and invariably you end up with bills that you like some things in and you may not like others things in. I don't think this process is going to be any different. But almost all of this is 2-year considerations, or, in the FICA case, 1 year. So I think that the Congressional Black Caucus individually and collectively will have to look at the benefits versus the what they see as the down side?

Q Is it more likely, if there is a vote on the estate tax, that it is a vote as an amendment to the bill or as a stand-alone measure?

Mr. Hoyer. We haven't decided that yet, but that's being discussed. When you say stand-alone measure --

Q Having a vote on an estate tax provision as a stand-alone legislation as opposed to attaching it to the tax bill.

Mr. Hoyer. I think it will be in the context of the tax bill

consideration.

Q Could you split the question?

Mr. Hoyer. Sure. Can you do that? The answer is --

Q Is that an option for you?

Mr. Hoyer. You can do that, and obviously, because you can do it, it's an option.

Q Touche.

Mr. Hoyer. You and I have been at this -- I have been at it a lot longer than you have, but --

Q Would the leadership whip that vote on an amendment or a stand-alone for the estate tax?

A Would the what?

Q Would you guys whip for that vote?

A You know, I think every Member -- we have had that vote. Pretty much people have expressed their opinion on that vote. We've had that vote. Now, people are going to have to decide, again, on the urgency of this bill and what they believe will facilitate or not facilitate this bill moving forward, and they may or may not conclude that that impacts their vote.

Q So no?

Mr. Hoyer. I don't know. We have whipped that vote. All of you understand I worked very hard to get the 3.5 passed. I mean, I was -- some of you know I met with the Ways and Means Committee, which is somewhat unusual. They had some reticence about that, and I said, look, I think this is a compromise that can work for us. I'm sorry

the Senate didn't pass it. And we worked hard at that. So I think our position is pretty clear on that issue.

How many more questions do I have?

Jill.

Q Do you think it would be helpful at this point for the President to come and meet with the caucus? And do you expect him to do so before the House --

Mr. Hoyer. I don't think that's necessary. I think the President has met with a lot of people in the caucus on this issue. I think the President has been very clear on the fact that he is uncomfortable with certain parts of this bill. I think others have indicated they are uncomfortable with the bill. There is obviously a wide divergence within the conservative community whether this is a good deal or bad deal. I quoted Mr. Krauthammer yesterday, I think.

But there is divergence of views on both sides, on the conservatives and the liberals, about this issue. But on what there is not divergence of view on, in my opinion, is that I think almost everybody is agreed that we ought not to have middle-income taxes go up for the overwhelming majority of Americans in an economy that is still struggling to grow and create the kinds of jobs necessary so that we don't have to do unemployment insurance.

And I think there is another agreement. The Republicans have an interesting approach to unemployment insurance. You recall they had three cloture votes on one, and then it ended up 98-0. Because when you really get down to it, I think that we believe strongly and I think

the Republicans in the final analysis voted for making sure that people that are unemployed get some help.

So I think there are some overwhelming consensus on component parts, and there are differences on other parts.

Janet?

Q People have assumed that if the deal came to a vote in the House, it would probably pass with a majority of House Republicans and Blue Dog Democrats. Do you see or have you heard about significant defections in those areas?

Mr. Hoyer. We haven't counted votes yet, but I will say this, Janet: I would be surprised if it were, on our side, limited to simply Blue Dogs. Again, we've got some compelling reasons here why we want to make sure on January 1 taxes don't go up on the middle class, and that we provide unemployment insurance, which they have now been without for some weeks.

How are we doing on time here?

Q Leader Hoyer, what was the impact that President Clinton's briefing and press conference at the White House last week -- what impact did that have on House Democrats?

Mr. Hoyer. I don't know. I haven't talked to any House Democrats, honestly, about President Clinton's presentation. I did not see all of it, but I saw a significant part of it, and it was, I thought, classic Clinton. A, it demonstrated an extraordinary command of the facts. I am always amazed -- I don't know about the rest of you, but I am always amazed at how much he knows and how much he can

recall. He is doing a lot of things, and he had, obviously, extraordinary command of the facts. B, how well he communicates and reasons about the options that are available to people in public life, where you have various different points of view represented, and his articulation of the necessity to move forward on an issue that, as I say, there is large consensus on certainly two parts of this bill, which are two of the biggest parts of the bill, the unemployment insurance and the tax cuts on the middle income.

Q Mr. Leader, I understand there is a change of climate about the vote on the statue via suspension. Do you think that will actually happen, and D.C. and the territories will actually see statues, that it will actually pass?

Mr. Hoyer. I am talking to people about that.

Q I understand it's going to be -- you are going to move even though you don't have the votes. Is that true?

Mr. Hoyer. I am talking to people about it. I don't know where you got that speculation, but that doesn't come from me, Mark. That doesn't come from me. But I am working on it.

Thank you all.

[Whereupon, at 10:59 a.m., the press conference concluded.]